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**Department of Housing Conservation and Development Sub-Committee
Monday, February 27th**

**General Comment on H.B. No. 6659: An Act Concerning the State Budget for The Biennium
Ending June 30, 2025, and Making Appropriations Therefor**

Good evening, Senator Osten, Representative Walker, Vice Chairs Hartley, Exum, and Paris, and Ranking Members Berthel and Nuccio, and distinguished members of the Appropriations Committee. My name is Sarah Fox, and I am the Chief Operating Officer for the Connecticut Coalition to End Homelessness. CCEH represents the collective voice of homeless service providers from across Connecticut. CCEH staffs and manages CT CAN End Homelessness, a statewide initiative to prevent and end homelessness in Connecticut.

I appreciate the opportunity to testify before you today and provide general comment on H.B. No. 6659: An Act Concerning the State Budget for The Biennium Ending June 30, 2025, and Making Appropriations Therefor. Thank you for your leadership and commitment to ending homelessness and helping us to ensure the investments needed to rescue the homeless response system. Of the many things our state has to be proud of, our work to address homelessness is at the top of the list. Communities across the country continue to look at our progress and seek answers from us on how to end homelessness. Through the implementation of our homeless response system, the leadership and perseverance of our Coordinated Access Networks (CANs), and the critical work of our community-based nonprofit organizations and workforce, we have proven that homelessness is solvable. Together, we have made sure that your investments in the homeless response network matter and result in positive outcomes, especially in times of crisis.

Today we are facing unprecedented challenges in our effort to prevent and end homelessness. The pandemic and the increase in homelessness in our state, up 39 percent¹ this year, has put added pressure on an already overstressed system. From January – December 2022, Connecticut's Homeless Response System fielded 107,692 requests for housing and shelter through 2-1-1, with 39,318 CAN referrals made for people in housing crisis or at risk of homelessness². In the same period, those seeking services attended 28,129 CAN appointments, and 36 percent were diverted from homelessness³. Our emergency shelter programs served 5,169 families, individuals, and youth experiencing homelessness, and 1,850⁴ were served by homeless outreach.

Rescuing the Homeless Response System, and the critical services it delivers, requires reliable and consistent funding every year. If you have spent any time recently with local homelessness services organizations in your community, you have almost certainly heard about the impact of chronic underfunding and the workforce challenges of over-stressed and under-resourced homeless

¹ *By-Name-List Version 1 (BNL V.1) 2021-2022*

² <https://ct.211counts.org/>

³ <https://cceh.org/ct-can-data/>

⁴ <https://ctcandata.org>

service providers. Despite their life-saving essential role, homeless and housing services organizations continue to be funded by state agencies at levels far below the actual cost of delivering these services. Rising costs, including payroll, health insurance, utilities, and rent, have made matters more dire, further challenging the nonprofits providing critical homeless services. We estimate that most homeless and housing organizations are funded at less than 50% by any government source, whereas other nonprofits receive 100% of their funding from the state. Because of this disparity, the model of increasing funding with COLAs on state contracts does not provide the same support for our sector as it does other sectors. Other vital components, including funding for our Coordinated Access Network infrastructure and Cold Weather Emergency response, have never had a source of permanent, ongoing funding in the state budget, despite the life-saving critical services they provide.

The impact of chronic disinvestment has also directly impacted those who work on the frontline of homelessness. The net effect of asking providers to maintain (or in some cases, do more) with flat funding has been lower wages, lower morale, higher turnover, and higher vacancy rates among front-line staff, and too often our frontline staff are at or near homelessness themselves. Our system relies on a dedicated workforce who are disproportionately people of color, who staff our shelters accommodating clients who are older and sicker than ever before. These front line staff conduct outreach required to get people experiencing homelessness to come inside, cultivate relationships with landlords who take in homeless families and individuals, and do the casework necessary to keep folks securely housed for the long term. The result is that homeless service organizations across the state are losing staff to other industries because most front-line homeless response workers are paid barely enough to afford housing themselves.

Recognizing that adequate funding is paramount to safeguarding the health and economic security of frontline staff, we respectfully request an increase in funding for Connecticut's homeless response system by 33% for all housing and service provider contracts administered by the state, which accounts for the FY 2021 and FY 2022 COLAs. This would grow funding in homeless services contracts to account for direct and non-direct wage inflation and increases in the Consumer Price Index since 2016. Moving forward, increases in state contracts for housing and homeless service organizations should be tied to increases in the general price increases in the State of Connecticut.

Addressing historical underfunding would allow Connecticut's homeless response system to work as designed – to respond to people's housing emergencies, compensate essential workers for essential work, allow housing and homeless service providers to hire and retain qualified staff, and ensure we have workforce capacity to prevent and end homelessness in Connecticut.

We need this Committee's help to Rescue the Homeless Response System. Of the \$50,000,000 request to address chronic underfunding, we are asking our legislators to commit to a one-time **\$37,046,452** funding increase in the following amounts:

- **\$28,155,326 increase in the DOH Housing/Homeless Services line**
- **\$967,373 increase in DOH Homeless Youth line**
- **\$209,954 increase in Municipal Housing/Homeless Services line**

There remains no dedicated annual funding for the parts of our system that our communities rely on year after year. Therefore, we also request your support for the following annual amounts:

- **\$5.95 million annually** in the DOH Housing/Homeless Services line for Coordinated Access Network infrastructure, to ensure that the indispensable emergency services we provide are

available to all.

- **\$5 million annually** in the DOH Housing/Homeless Services line for the annual Cold Weather Emergency Response Program.
- **\$2 million annually** in the DOH Housing/Homeless Services line for a Flexible Funding Subsidy Pool to subsidize housing and provide flexible assistance, which have been shown to lower costs to the health care system and lead to improved individual health outcomes.

Thank you to the committee for this opportunity to testify. It is with your support that we can rescue the homeless response system and help make sure Connecticut's residents are healthy and stably housed.

Sincerely,

Sarah Fox
Chief Operating Officer
CT Coalition to End Homelessness